

# Walker Chandiook & Co LLP

## Independent Auditor's Report

To the Members of Suzlon Global Services Limited

## Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of Suzlon Global Services Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The Director's Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.



Chartered Accountants

Offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Dehradun, Goa, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

## Walker Chandiook & Co LLP

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### Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and





## Walker Chandiook & Co LLP

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). Further, the back-up of the books of accounts and other books and papers of the Company maintained in electronic mode has been maintained on servers physically located in India, on a daily basis;
  - c) The financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
  - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 13(b) above on reporting under section 143(3)(b) of the Act and paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed a modified opinion; and
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company, as detailed in Note 35 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;



## Walker Chandiok & Co LLP

iv.

- a. The management has represented that, to the best of its knowledge and belief, on the date of this audit report as disclosed in Note 43(f) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, on the date of this audit report as disclosed in Note 43(g) to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2024.

vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software except that the audit trail feature was not enabled at the database level for accounting software to log any direct data changes, as described in Note 43(j) to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in respect of the accounting software where such feature is enabled.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Shashi Tadwalkar**

Partner

Membership No.: 101797

**UDIN: 24101797BKPCPJ9887**

**Place:** Pune

**Date:** 23 May 2024



## Walker Chandiook & Co LLP

### Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Suzlon Global Services Limited on the financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 4 to the financial statements, are held in the name of the Company, except for the following properties:

Description of property	Gross carrying value (Rs. In Crore)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
15 freehold lands located at various locations admeasuring 57.3 acres	10.50	Suzlon Windfarm Services Private Limited ('SWSPL')	NA	10 years	The title deeds are in the name of SWSPL, erstwhile SEL - OMS division, which was merged with the Company w.e.f. 29 March 2014
2 freehold lands located at multiple locations admeasuring 4.4 acres	0.48	Suzlon Power Infrastructure Limited ('SPIL')	NA	4 years	The title deeds are in the name of SPIL which was merged with the Company w.e.f. 01 April 2020

- (d) The Company has adopted cost model for its property, plant and equipment including right-of-use assets and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially



## Walker Chandio & Co LLP

been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in or granted advances in the nature of loans to companies, firms, limited liability partnerships or any other parties during the year. The company has also not provided any guarantee or security or granted loans to firms, limited liability partnerships or any other parties during the year. Further, the Company has provided guarantee, security and granted unsecured loans to companies during the year, in respect of which:
- (a) The Company has provided loans, guarantee and security to Subsidiary and Holding Company during the year as per details given below:

Particulars	Guarantees	Loans
Aggregate amount provided/ granted during the year (Rs. In Crore):		
- Subsidiary	-	2.50
- Holding Company	2,800	-
Balance outstanding as at balance sheet date in respect of above cases (Rs. In Crore):		
- Subsidiary	-	198.29
- Holding Company	2,800	-

- (b) In our opinion, and according to the information and explanations given to us, guarantees provided, security given and terms and conditions of the grant of all loans, guarantees and security provided are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and principal amount including interest is not due for repayment currently.
- (d) There is no overdue amount in respect of loan granted to subsidiary.
- (e) The Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.
- (f) The Company has not granted any loan which is repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act only in respect of specified products of the Company. For such products, we have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under the aforesaid section, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.





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However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases pertaining to professional tax. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Amount (Rs. In Crore)	Period to which amount relates. (Financial Year)	Forum where dispute is pending
The Customs Act, 1962	Custom Duty	0.08	FY 2021-22	The Customs Excise and Service Tax Appellate Tribunal
Madhya Pradesh Buildings and Other Construction Workers ('BOCW') Rules, 2002	BOCW Cess	1.78	FY 2018-19	The Honorable High Court
The Goods & Services Act, 2017	Goods and Services Tax	* 0.93	FY 2020-21	Joint Commissioner (Appeals)

\* stated net of Rs. 0.10 crore paid under protest

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.



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- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit, except, as stated in Note 43(h) to the accompanying financial statements, that an employee of the Company, not being a Key Managerial Personnel, was involved in suspected fraudulent activities during prior years, whereby, the said employee issued unauthorised credit notes, made fraudulent edits in the invoice issued to customer, fabricated customers' purchase orders to facilitate invoice generation and supply of goods, and facilitated unauthorised transactions with the Company's customers and vendors. Based on the extent of review conducted by the management till date, management has identified fraudulent transactions aggregating to Rs. 0.54 Crores, with further potentially suspicious transactions being identified by us whilst performing our audit procedures. Pending completion of the comprehensive review undertaken by the management, the impact of the said fraud, in its entirety, on the financial statements is currently not determinable. However based on the progress of the internal management review, management expects such impact to be immaterial.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- However, during the year, we have reported to the Audit Committee of the Company our reasons to believe that a suspected offence involving fraud was committed against the Company by an employee, not being a Key Managerial Personnel. Upon receipt of the response from the Audit Committee of the Company, we would comply with the requirements of the Rule 13(2)(b) of the Audit Rules and the Guidance Note on Reporting on Fraud under Section 143(12) of the Companies Act, 2013, if applicable.
- (c) According to the information and explanations given to us, the Company has received whistle blower complaints during the year, which have been considered by us while determining the nature, timing and extent of audit procedures. (Also refer clause (xi)(a) and (xi)(b) above).
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

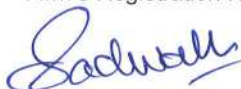




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- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Shashi Tadwalkar**  
Partner  
Membership No.: 101797

**UDIN : 24101797BKPCPJ9887**

**Place:** Pune  
**Date:** 23 May 2024

## Walker Chandio & Co LLP

**Annexure II to the Independent Auditor's Report of even date to the members of Suzlon Global Services Limited on the financial statements for the year ended 31 March 2024**

**Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of **Suzlon Global Services Limited** ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in Guidance note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by Institute Of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





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### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

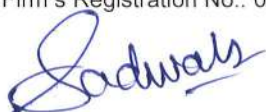
### Qualified Opinion

8. According to the information and explanations given to us and based on our audit, a material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2024 wherein, the Company's internal financial control system over timely reconciliation of customer balances were not operating effectively, which could potentially lead to material misstatements in the carrying value of Company's trade receivables and corresponding provision for machine availability and its consequential impact on the related disclosures in the financial statements. Also refer Note 43(h) to the accompanying financial statements.
9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2024, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2024.
11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31 March 2024, and this material weakness does not affect our opinion on the financial statements of the Company.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



**Shashi Tadwalkar**

Partner

Membership No.: 101797

UDIN: 24101797BKCPCJ9887

Place: Pune

Date: 23 May 2024

Suzlon Global Services Limited

Balance sheet as at March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	94.11	86.09
Right-of-use assets	33	5.70	11.39
Capital work-in-progress	5	0.92	1.12
Goodwill	6	-	-
Other intangible assets	6	1.71	0.96
<b>Financial assets</b>			
Investments	7	0.00*	0.00*
Trade receivables	8	-	-
Loans	9	636.18	562.99
Other financial assets	10	30.15	17.81
Other non-current assets	11	39.86	22.59
		<b>808.63</b>	<b>702.95</b>
<b>Current assets</b>			
Inventories	12	865.07	836.86
<b>Financial assets</b>			
Investments	7	8.35	-
Trade receivables	8	624.74	650.94
Cash and cash equivalents	13	99.03	47.39
Loans	9	0.01	-
Other financial assets	10	98.18	112.84
Other current assets	11	137.89	138.38
		<b>1,833.27</b>	<b>1,786.41</b>
<b>Total assets</b>		<b>2,641.90</b>	<b>2,489.36</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	14	29.37	29.37
Other equity	15	630.37	(3.11)
		<b>659.74</b>	<b>26.26</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	1,284.61	1,614.98
Lease liabilities	33	-	6.99
Other financial liabilities	18	0.03	0.03
Provisions	19	19.27	21.41
Other non-current liabilities	20	19.12	14.69
		<b>1,323.03</b>	<b>1,658.10</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	2.78	-
Lease liabilities	33	6.99	6.06
Trade payables	17	-	-
Total outstanding dues of micro and small enterprises		5.66	7.30
Total outstanding dues other than micro and small enterprises		338.47	421.74
Other financial liabilities	18	30.60	31.91
Contract liabilities		107.21	225.52
Provisions	19	120.69	85.02
Other current liabilities	20	46.73	27.45
		<b>659.13</b>	<b>805.00</b>
<b>Total liabilities</b>		<b>1,982.16</b>	<b>2,463.10</b>
<b>Total equity and liabilities</b>		<b>2,641.90</b>	<b>2,489.36</b>

\*Less than ₹ 0.01 Crore

Summary of material accounting policy information

2.3

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Walker Chandio & Co LLP

Chartered Accountants

ICAI Firm registration no.: 001076N/N500013

*Shashi Tadwalkar*

Shashi Tadwalkar

Partner

Membership No: 101797

For and on behalf of the Board of Directors of Suzlon Global Services Limited

*Ranjit Singh A. Parmar*

Ranjit Singh A. Parmar

Whole-Time Director

DIN: 00002613

*Om Prakash Talwar*

Om Prakash Talwar

Chief Financial Officer

*Himanshu Mody*

Himanshu Mody

Director

DIN: 00686830

*Sriram Prasad Pillalamarri*

Sriram Prasad Pillalamarri

Chief Executive Officer

*Shivani R. Nirgudkar*

Shivani R. Nirgudkar

Company Secretary

Membership No : A33098

Place : Pune

Date : May 23, 2024

Place : Pune

Date : May 23, 2024





Suzlon Global Services Limited

Statement of profit and loss for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

Particulars	Notes	March 31, 2024	March 31, 2023
<b>Income</b>			
Revenue from operations	21	2,260.74	1,998.93
Other operating income		8.74	0.62
Finance income	22	85.02	72.42
<b>Total income</b>		<b>2,354.50</b>	<b>2,071.97</b>
<b>Expenses</b>			
Cost of raw materials, components consumed and services rendered	23	1,016.98	814.37
Changes in inventories of finished goods and work-in-progress	23	13.20	(1.24)
Employee benefits expense	24	273.39	231.25
Finance costs	25	149.28	190.76
Depreciation and amortisation expense	26	21.96	382.20
Other expenses	27	275.66	253.31
<b>Total expenses</b>		<b>1,750.47</b>	<b>1,870.65</b>
<b>Profit before exceptional items and tax</b>		<b>604.03</b>	<b>201.32</b>
Exceptional items	28	(25.71)	(593.92)
<b>Profit before tax</b>		<b>629.74</b>	<b>795.24</b>
Income tax expense	29	-	-
<b>Profit after tax</b>		<b>629.74</b>	<b>795.24</b>
<b>Other comprehensive income / (loss)</b>			
Item that will not be reclassified to profit or loss:			
Re-measurements of the defined benefit plans	30	3.74	(3.79)
Income tax effect on the above		-	-
<b>Other comprehensive income / (loss) for the year, net of tax</b>		<b>3.74</b>	<b>(3.79)</b>
<b>Total comprehensive income for the year</b>		<b>633.48</b>	<b>791.45</b>
<b>Earnings per equity share (EPS)</b>	31		
Basic and diluted earnings per share in ₹ [Nominal value of share ₹ 10 (₹ 10)]		214.41	270.76
<b>Summary of material accounting policy information</b>	2.3		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Walker Chandlok & Co LLP

Chartered Accountants

ICAI Firm registration no.: 001076N/N500013

*Shashi Tadwalkar*

Shashi Tadwalkar

Partner

Membership No: 101797

For and on behalf of the Board of Directors of Suzlon Global Services Limited

*Ranjit A. Parmar*  
Ranjit A. Parmar  
Whole-Time Director  
DIN: 00002513

*Om Prakash Talwar*  
Om Prakash Talwar  
Chief Financial Officer

*Himanshu Mody*  
Himanshu Mody  
Director  
DIN: 00686830

*Sairam Prasad Pillalamarri*  
Sairam Prasad Pillalamarri  
Chief Executive Officer

*Shivani R. Nirgudkar*  
Shivani R. Nirgudkar  
Company Secretary  
Membership No :A33098

Place : Pune

Date : May 23, 2024

Place : Pune

Date : May 23, 2024



## a. Equity share capital (refer Note 14)

Equity shares, subscribed and fully, partly paid

As at April 01, 2023

Issue of equity share capital

At March 31, 2024

No. in Crore	₹ in Crore
2.94	29.37
-	-
2.94	29.37

As at April 01, 2022

Issue of equity share capital

As at March 31, 2023

2.94	29.37
0.00*	0.00*
2.94	29.37

## b. Other equity (refer Note 15)

	Equity component of compound financial instruments	Capital Reserve	General reserve	Securities premium	Capital contribution	Retained earnings	Total
As at April 01, 2023	6.78	194.51	3.49	922.20	131.80	(1,261.89)	(3.11)
Profit for the year	-	-	-	-	-	629.74	629.74
Other comprehensive income / (loss) (refer Note 30)	-	-	-	-	-	3.74	3.74
As at March 31, 2024	6.78	194.51	3.49	922.20	131.80	(628.41)	630.37
As at April 01, 2022	6.78	194.51	3.49	922.20	(611.81)	(2,053.34)	(1,538.17)
Profit for the year	-	-	-	-	-	795.24	795.24
Other comprehensive income / (loss) (refer Note 30)	-	-	-	-	-	(3.79)	(3.79)
Total comprehensive income	-	-	-	-	-	791.45	791.45
Extinguishment of Cumulative Convertible Preference Share	-	-	-	-	743.61	-	743.61
As at March 31, 2023	6.78	194.51	3.49	922.20	131.80	(1,261.89)	(3.11)

Refer Note 15 for nature and purpose of reserves

\*Less than ₹ 0.01 Crore

## Summary of material accounting policy information (refer Note 2.3)

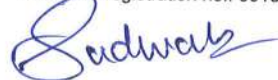
The accompanying notes are an integral part of financial statements

As per our report of even date

For Walker Chandiok &amp; Co LLP

Chartered Accountants

ICAI Firm registration no.: 001076N/N500013




Shashi Tadwalkar

Partner

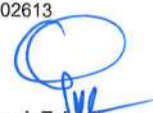
Membership No: 101797


For and on behalf of the Board of Directors of Suzlon Global Services Limited

  
 Ranjitsinh A. Parmar  
 Whole-Time Director  
 DIN: 00002613

  
 Himanshu Mody  
 Director  
 DIN: 00686830

  
 Sairam Prasad Pillalamarri  
 Chief Executive Officer

  
 Om Prakash Talwar  
 Chief Financial Officer

  
 Shivani R. Nirgudkar  
 Company Secretary  
 Membership No :A33098

Place : Pune

Date : May 23, 2024



Place : Pune

Date : May 23, 2024



Suzlon Global Services Limited

Statement of cash flows for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

Particulars	March 31, 2024	March 31, 2023
<b>Cash flow from operating activities</b>		
Profit before tax	629.74	795.24
Adjustments for:		
Depreciation and amortisation expense	21.96	382.20
Exceptional items	(25.71)	(593.92)
Loss on disposal of property, plant and equipment, net	0.70	0.31
Finance income	(79.60)	(72.42)
Interest expenses and other borrowing cost	148.78	190.13
Machine availability expenditure	71.43	65.11
Bad debts written off	(0.26)	14.95
Impairment allowance/ (reversal)	(0.26)	(0.23)
Allowance for doubtful debts and advances, net	14.17	7.37
<b>Operating profit / (loss) before working capital changes</b>	<b>780.95</b>	<b>788.74</b>
<b>Movements in working capital</b>		
(Increase)/ decrease in financial assets and other assets	3.83	12.99
(Increase)/ decrease in trade receivables	12.55	(96.70)
(Increase)/ decrease in inventories	(28.22)	(110.38)
(Decrease)/ increase in other liabilities, financial liabilities and provisions	(210.03)	(162.46)
<b>Cash (used in) / generated from operating activities</b>	<b>559.08</b>	<b>432.19</b>
Direct taxes paid (net of refunds)	(16.91)	(5.78)
<b>Net cash (used in)/ generated from operating activities</b>	<b>542.17</b>	<b>426.41</b>
<b>Cash flow from investing activities</b>		
Payments for purchase of property, plant and equipment including capital work-in-progress and capital advances	(25.56)	(12.97)
Proceeds from sale of property, plant and equipment	0.04	0.13
Purchase of mutual fund	(34.70)	-
Proceeds from sale of mutual fund	26.41	-
Inter-corporate deposits given	(2.50)	0.03
Inter-corporate deposits repaid	28.21	-
Interest received	-	2.41
<b>Net cash (used in) / generated from investing activities</b>	<b>(8.10)</b>	<b>(10.40)</b>
<b>Cash flow from financing activities</b>		
Repayment of long-term borrowings, net	(439.34)	(353.13)
Payment of principal portion of lease liabilities	(7.03)	(6.69)
Interest and other borrowing cost paid	(36.06)	(37.20)
<b>Net cash (used in) / generated from financing activities</b>	<b>(482.43)</b>	<b>(397.02)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>51.64</b>	<b>18.99</b>
Cash and cash equivalents at the beginning of year	47.39	28.40
<b>Cash and cash equivalents at the end of year</b>	<b>99.03</b>	<b>47.39</b>



Components of cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Balance with banks		
Cash on hand	98.64	47.23
Total	0.39	0.16
	99.03	47.39

Summary of material accounting policy information (refer Note 2.3)

The figures in brackets represent outflows.

The accompanying notes are an integral part of financial statements

As per our report of even date

For Walker Chandiok & Co LLP

Chartered Accountants

ICAI Firm registration no.: 001076N/N500013

*Sachwal*

Shashi Tadwalkar

Partner

Membership No: 101797

For and on behalf of the Board of Directors of  
Suzlon Global Services Limited

*Ranjit*  
Ranjitsinh A. Parmar  
Whole-Time Director  
DIN: 00002613

*H.M.*  
Himanshu Mody  
Director  
DIN: 00686830

*S.P.*  
Sairam Prasad Pillalamarri  
Chief Executive Officer

*Om Prakash*  
Om Prakash Talwar  
Chief Financial Officer

*Shivani R. Nirgudkar*  
Shivani R. Nirgudkar  
Company Secretary  
Membership No :A33098

Place : Pune

Date : May 23, 2024

Place : Pune

Date : May 23, 2024





# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### 1. Company information

Suzlon Global Services Limited ('SGSL' or the 'Company') having CIN: U27109GJ2004PLC044170, is a public company domiciled in India and incorporated under the provisions of the Companies Act, applicable in India. The registered office of the Company is located at "Suzlon", 5 Shrimali Society, Near Shree Krishna Complex, Navrangpura, Ahmedabad – 380 009, India. The principal place of business is its headquarters located at One Earth, Hadapsar, Pune – 411 028, India.

The Company is primarily engaged in the business of operation and maintenance service ('OMS') of Wind Turbine Generators (WTG's), project execution and power evacuation (collectively referred to as Project Division) and power generation business.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 23, 2024.

### 2. Basis of preparation and material accounting policy information

#### 2.1. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative financial instruments) is measured at fair value;
- defined benefit plans - plan assets measured at fair value;

The financial statements are presented in Indian Rupees ₹ and all values are rounded to the nearest Crore (INR 0,000,000) up to two decimals, except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as going concern.

#### 2.2. Changes in accounting policies and disclosures

New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time the amendment.

##### Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

Apart from above there are few other amendments apply for the first time for the year ended March 31, 2024, but do not have an impact on the financial statements of the Company. The Company intends to adopt these standards, if applicable.



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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### 2.3. Summary of material accounting policy information

#### a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### b. Foreign currencies

The Company's financial statements are presented in Indian ₹, which is also the Company's functional currency.

##### Transactions and balances

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

#### c. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:





## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company management determines the policies and procedures for recurring and non-recurring fair value measurement. Involvement of external valuers is decided upon annually by company management. The management decides after discussion with external valuers about valuation technique and inputs to use for each case.

At each reporting date, the Company's management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes

- Quantitative disclosures of fair value measurement hierarchy [refer Note 39]
- Financial instruments (including those carried at amortised cost) [refer Note 2.3(n)]



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### d. Revenue from contracts with customers

Revenue from contracts with customers is recognised at the point in time when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

#### i. Operation and maintenance income ('OMS')

Revenues from operation and maintenance contracts are recognised over the period of the contract and measured using output method because the customer simultaneously receives and consumes the benefits provided to them.

#### ii. Project execution

Revenue from project execution, consisting of installation, erection and commissioning of WTG's is recognised on completion of the respective activities identified as per terms of the sales order, net of taxes charged.

#### iii. Power evacuation infrastructure facilities ('PE')

Revenue from power evacuation infrastructure facilities is recognised upon commissioning and electrical installation of the WTG to the said facilities followed by approval for commissioning of WTG from the concerned authorities.

#### iv. Power generation

Income from power generation is recognised on sale of unit generated and invoiced to respective state electricity board.

#### v. Sale of goods

Revenue from sale of goods is recognised in the statement of profit and loss at the point in time when control of the goods are transferred to the buyer as per the terms of the respective sales order, generally on delivery of the goods. Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances and discounts.

### Payment terms:

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of equipment, the Company considers the effects of variable consideration and consideration payable to the customer (if any).

#### • Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. The contracts for sale of services provide customers with a right for penalty for performance shortfall of the guarantee assured.

#### • Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.





# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### Contract balances

#### i. Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### ii. Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (n) Financial instruments – initial recognition and subsequent measurement.

#### iii. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

### e. Taxes

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside statement of profit and loss is recognised either in other comprehensive income ('OCI') or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities ('DTL') are recognised for all taxable temporary differences, except when the DTL arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets ('DTA') are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. DTA are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the DTA relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of DTA is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the DTA to be utilised. Unrecognised DTA are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the DTA to be recovered.





# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

DTA and DTL are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. DTA and DTL are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside statement of profit and loss is recognised either in OCI or in equity.

### f. Property, plant and equipment ('PPE')

PPE are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Capital work-in-progress comprises of the cost of PPE that are not yet ready for their intended use as at the balance sheet date.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss when they are incurred.

Depreciation is calculated on the written down value method ('WDV') based on the useful lives and residual values estimated by the management in accordance with Schedule II to the Companies Act, 2013. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal PPE.

Type of asset	Useful lives (years)
Buildings	28-58
Electrifications	20
Plant and machinery	15
Windfarm plant and machinery	22
Computers and office equipments	3 to 5
Servers and networks	6
Furniture & fixtures and vehicles	10

Gains or losses arising from de recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset on the date of disposal and are recognised in the statement of profit and loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

### g. Goodwill and Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.





# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

A summary of amortisation policies applied to the Company's intangible assets is as below:

Type of asset	Useful lives (years)
Goodwill	Amortisation as per law or acquired cost less impairment allowance, as applicable
SAP and other software	Straight line basis over a period of five years

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

### h. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### i. Leases

#### • Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### i. Right-of-use assets (ROU assets)

The Company's lease asset classes primarily consist of leases for land and buildings. The Company recognises ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The ROU assets are also subject to impairment. Refer note 2.3(k) for the accounting policies.

#### ii. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. In calculating the present value of lease payments, the Company uses its borrowing rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the lease payments.





# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### iii. Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short term leased assets (i.e. those lease that have a leased term of 12 month or less from the commencement date and do not contain a purchase option) it also applies the lease of low value assets recognition exemption to leases that are considered to be of low value. For short term and low value leases, the company recognizes the lease payments as an operating expense on straight line basis over the term of lease.

#### • Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset is classified as operating leases. Assets subject to operating leases other than land and building are included in PPE. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.

### j. Inventories

#### OMS business

Inventories comprise of components, stores and spares and are valued at lower of cost and estimated net realisable value. Inventories include some materials that are repaired as well as repairable as at the balance sheet date. Cost of inventory is determined on a weighted average basis.

Net realisable value of such materials is determined considering the remaining useful life of the material after repairs based on the technical estimates.

#### Project and PE business

Inventories of raw materials, project materials, stock in trade, work-in-progress ('WIP') and finished goods ('FG') are valued at the lower of the cost and estimated net realisable value.

Cost is determined on a weighted average basis.

The cost of WIP and FG includes the cost of material, labour and a proportion of overheads. WIP includes cost of civil, electrical line, installation of WTG's and portion of non-utilised charges paid for capacity allocation, PE facilities which are in process as at the balance sheet date.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### k. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ('CGU') net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statement of profit and loss

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.





# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

The impairment loss recognised in prior accounting periods is reversed if there has been a change in estimates of recoverable amount. The carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

Goodwill and intangible assets with indefinite useful life are tested for impairment annually as at year end. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

The Company assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use amounts.

### **i. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **m. Employee benefits**

#### **i. Short-term employee benefits:**

Employee benefits such as short-term compensated absences, bonus, ex-gratia and performance linked rewards falling due within twelve months of rendering the service are classified as short-term employee benefits and are charged to the statement of profit and loss in the period in which the employee renders the service.



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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### ii. Post-employment benefits:

#### A. Defined contribution schemes:

The Company provides defined contribution schemes such as statutory provident fund, employee state insurance, voluntary superannuation and the pension plan. The Company has no obligation other than the contribution payable to the funds which is recognised as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### B. Defined benefit plan:

The employee's gratuity fund scheme managed by board of trustees established by the Company, represent defined benefit plan. Gratuity is provided for on the basis of actuarial valuation, using projected unit credit method as at each balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognised the following changes in defined benefit obligation as an expense in statement of profit or loss:

- Service cost comprising of current service cost, past service cost gains and loss on entitlements and non-routine settlement.
- Net interest expenses or income.

Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis

### iii. Long-term employee benefits:

The Company provides long-term benefits such as Retention bonus (i.e long service award) and compensated absences. Retention bonus is awarded to certain cadre of employees on completion of specific years of service. The obligation recognised in respect of these long-term benefits is measured at present value of estimated future cash flows expected to be made by the Company and is recognised on the basis of actuarial valuation, using projected unit credit method as at each balance sheet date. As the Company does not have an unconditional right to defer its settlement for 12 months after the reporting date, the entire leave is presented as a current liability in the balance sheet and expenses recognised in statement of profit and loss account. Long-term compensated balances and retention bonus are unfunded.

### n. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### Financial assets

#### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. In case of extinguishment and settlement of financial assets with Parent as part of restructuring of debt wherein the Lenders of the Company have potential exercisable participative rights pre and post restructuring, the resultant gain or loss arising on restructuring shall be recognised to other equity.

#### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### *Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

#### *Debt instrument at FVTOCI*

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss.

On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Company has not designated any financial asset as at FVTOCI.



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

### **Equity investments**

All equity investments in scope of Ind AS 109 are initially measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. The Company has not designated any equity instruments as at FVTOCI.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

### **Investments in subsidiaries**

Investments in subsidiaries are carried at cost.

### **De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - a. the Company has transferred substantially all the risks and rewards of the asset, or
  - b. The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.





# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.
- Estimated irrecoverable amounts are based on the ageing of the receivables balance and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- *Financial assets measured as at amortised cost and contractual revenue receivables:* ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.





# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

- *Loan commitments and financial guarantee contracts:* ECL is presented as a provision in the balance sheet, i.e. as a liability.
- *Debt instruments measured at FVTOCI:* Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

### Financial liabilities

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at fair value through other equity, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. In case of extinguishment of financial liabilities with Parent or of restructuring of the existing debt and financial liabilities of Lenders wherein the Lenders of the Company have potential exercisable participative rights pre and post restructuring, the resultant gain or loss arising on extinguishment of the existing debt with restructured debt and issuance of securities to Lenders shall be recognised to other equity.

#### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

#### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part or EIR. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included as finance cost in the statement of profit and loss. The category generally applies to borrowings.





# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities.

For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### o. Redeemable cumulative preference shares ('RCPS') and Compulsorily convertible debentures ('CCD')

RCPS and CCD are separated into liability and equity components based on the terms of the contract.

On issuance of the RCPS and CCD, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the RCPS and CCD based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

### p. Earnings per share

Basic earnings per share are calculated by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

Diluted earnings per share are calculated by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders (as adjusted for dividend, interest and other charges to expense or income, net of attributable taxes) by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.





# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

### q. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### r. Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resource embodying economic benefit will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Company does not recognise a contingent liability but discloses it as per Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets in the financial statements unless the possibility of an outflow of resources embodying economic benefit is remote.

## 2.4 Climate-related matters

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- a. **Useful life of property, plant and equipment:** When reviewing the residual values and expected useful lives of assets, the Company considers climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.
- b. **Impairment of non-financial assets:** The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Company's products. The Company considered expectations for increased costs of emissions, increased demand for goods sold by the Company's WTG equipment CGU and cost increases due to stricter recycling requirements in the cash-flow forecasts in assessing value-in-use amounts.
- c. **Fair value measurement:** For revalued office properties, the Group considers the effect of physical and transition risks and whether investors would consider those risks in their valuation. The group believes it is not currently exposed to severe physical risks, but believes that investors, to some extent, would consider impacts of transition risks in their valuation, such as increasing requirements for energy efficiency of buildings due to climate-related legislation and regulations as well as tenants' increasing demands for low-emission buildings.





# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### 3. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### 3.1 Significant judgements in applying the Company's accounting policy

In the process of applying the Company's accounting policies, management has made a judgement on revenue from contracts with customers, which have the most significant effect on the amounts recognised in the financial statements.

The Company applied the judgement of identifying performance obligations that significantly affect the determination of the amount and timing of revenue from contracts with customers. The Company determined that the OMS of the WTG's, project execution activities consisting of civil work, electrical work, erection and commissioning of WTG's and power evacuation activity can be performed distinctly on a stand-alone basis which indicates that the customer can benefit from respective performance obligations on their own. Further, the Company chose output method for measuring the progress of performance obligation.

#### 3.2 Significant accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Uncertainty about these assumption and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### a. Allowance for trade receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated credit loss (ECL). The Company recognises impairment loss allowance based on management judgment and the financial position of customers. For recognition of impairment loss, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. The carrying value of allowance for credit impairment and ECL is ₹ 129.13 Crore (previous year ₹ 115.59 Crore), refer Note 8.

##### b. Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies. The Company has unabsorbed depreciation and unabsorbed business losses details of which are given in Note 30.

##### c. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. Assumptions are reviewed at each reporting date.





# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The estimates of future salary increases take into account the inflation, seniority, promotion and other relevant factors.

Further details about gratuity obligations are given in Note 32.

### d. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 39 for further disclosures.

### e. Property, plant and equipment

Refer Note 2.3 (f) for the estimated useful life and Note 4 for carrying value of PPE.

## 4. Property, plant and equipment ('PPE')

Particulars	Gross block				Accumulated depreciation			Net block	
	As at April 1, 2023	Additions	Deduction / adjustments	As at March 31, 2024	As at April 1, 2023	Charge for the year	Deduction / adjustments	As at March 31, 2024	As at March 31, 2024
Freehold land	19.72	0.45	-	20.17	-	-	-	-	20.17
Buildings	44.92	4.53	1.27	48.18	18.53	2.77	1.01	20.29	27.89
Plant and machinery	62.67	6.66	1.25	68.08	35.09	4.82	1.04	38.87	29.21
Windfarm plant and machinery	1.76	-	-	1.76	1.32	0.08	-	1.40	0.36
Computer & office equipments	33.48	10.30	2.84	40.94	24.09	7.10	2.65	28.54	12.40
Furniture and fixtures	6.87	2.46	0.48	8.85	4.40	0.89	0.42	4.87	3.98
Vehicles	0.64	0.04	0.11	0.57	0.54	0.03	0.10	0.47	0.10
<b>Total</b>	<b>170.06</b>	<b>24.44</b>	<b>5.95</b>	<b>188.55</b>	<b>83.97</b>	<b>15.69</b>	<b>5.22</b>	<b>94.44</b>	<b>94.11</b>

Particulars	Gross block				Accumulated depreciation			Net block	
	As at April 1, 2022	Additions	Deduction / adjustments	As at March 31, 2023	As at April 1, 2022	Charge for the year	Deduction / adjustments	As at March 31, 2023	As at March 31, 2023
Freehold land	19.32	0.40	-	19.72	-	-	-	-	19.72
Buildings	40.58	4.57	0.23	44.92	16.56	2.19	0.22	18.53	26.39
Plant and machinery	56.53	6.30	0.16	62.67	31.06	4.10	0.07	35.09	27.58
Windfarm plant and machinery	1.76	-	-	1.76	1.23	0.09	-	1.32	0.44
Computer & office equipments	28.16	6.59	1.27	33.48	19.97	5.11	0.99	24.09	9.39
Furniture and fixtures	6.02	1.15	0.30	6.87	4.12	0.54	0.26	4.40	2.47
Vehicles	0.71	0.01	0.08	0.64	0.58	0.03	0.07	0.54	0.10
<b>Total</b>	<b>153.08</b>	<b>19.02</b>	<b>2.04</b>	<b>170.06</b>	<b>73.52</b>	<b>12.06</b>	<b>1.61</b>	<b>83.97</b>	<b>86.09</b>





# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### Notes:

- Buildings include those constructed on leasehold land.
- For contractual commitment with respect to property, plant and equipment refer Note 34.
- For details of property, plant and equipment given as security to Lenders refer Note 16.
- Refer Note 43 (i) for details of immovable properties not held in the name of the Company.

### 5. Capital work-in-progress ('CWIP')

CWIP as at March 31, 2024 stood at ₹ 0.92 Crore (previous year: ₹ 1.12 Crore), which primarily includes building and plant and machinery under construction.

#### 5.1 Movement of CWIP during the year:

	March 31, 2024	March 31, 2023
Opening balance	1.12	7.19
Additions during the year	9.62	4.24
Capitalized during the year	(9.82)	(10.31)
<b>Closing balance</b>	<b>0.92</b>	<b>1.12</b>

#### 5.2 CWIP ageing schedule

	< 1 year	1-2 years	2-3 years	> 3 years	Total
<b>As on March 31, 2024</b>					
Projects in progress	0.92	-	-	-	0.92
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>0.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.92</b>
<b>As on March 31, 2023</b>					
Projects in progress	0.03	-	-	1.09	1.12
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>1.09</b>	<b>1.12</b>

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan during the financial year 2023-24. The expected completion schedule for amounts lying in CWIP as at the year-end is within 1 to 2 years.

### 6. Goodwill and other intangible assets

Particulars	Gross block			Accumulated amortisation				Net block
	Opening	Additions	Deduction	Closing	Opening	Charge	Deduction	Closing
<b>March 31, 2024</b>								
Goodwill	2,550.66	-	-	2,550.66	2,550.66	-	-	2,550.66
SAP and other software	3.18	1.33	-	4.51	2.22	0.58	-	2.80
<b>March 31, 2023</b>								
Goodwill	2,550.66	-	-	2,550.66	2,186.99	363.67	-	2,550.66
SAP and other software	3.17	0.01	-	3.18	1.44	0.78	-	2.22



## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 7. Investments

	March 31, 2024	March 31, 2023
<b>Non-current</b>		
<b>7.1 Investment in equity instruments of a subsidiary, at cost (Unquoted)</b>		
1,24,59,15,359 (1,24,59,15,359) equity shares of ₹ 10 each of Suzlon Gujarat Wind Park Limited	191.60	191.60
Less: Impairment allowance	(191.60)	(191.60)
<b>Total</b>	-	-
<b>7.2 Other investments at fair value through profit or loss</b>		
Investments in government securities	0.00*	0.00*
<b>Aggregate amount of unquoted investments (cost)</b>	<b>191.60</b>	<b>191.60</b>
<b>Aggregate impairment allowance for investment measured at cost</b>	<b>(191.60)</b>	<b>(191.60)</b>
<b>Current Investment at fair value through profit and loss</b>		
<b>Investment in mutual funds (Unquoted)</b>		
SBI overnight fund direct growth plan (17,761 units of ₹ 3,895.78 each)	6.92	-
SBI overnight fund regular growth plan (3,723 units of ₹ 3,849.00 each)	1.43	-
<b>Total</b>	<b>8.35</b>	<b>-</b>

\* Less than ₹ 0.01 Crore.

#### 8. Trade receivables

	March 31, 2024	March 31, 2023
<b>Non-current</b>		
Unsecured, considered good		
Credit impaired	122.25	108.44
Less: Allowance for credit impairment	(122.25)	(108.44)
<b>Total</b>	-	-
<b>Current</b>		
Unsecured, considered good	631.62	658.09
Less: Allowance for expected credit loss	(6.88)	(7.15)
<b>Total</b>	<b>624.74</b>	<b>650.94</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are disclosed at amortised cost. Trade receivables are non-interest bearing and are generally on payment terms of within 30 days from invoice date which is raised as per contractual agreement.



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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### 8.1 Ageing schedule for trade receivables

	Current but not due	Outstanding from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
As on March 31, 2024							
Undisputed trade receivables							
Considered good	-	375.15	82.25	76.10	14.93	78.61	627.04
Credit impaired	-	4.34	2.11	16.50	20.87	75.78	119.60
Disputed trade receivables							
Considered good	-	0.82	-	3.76	-	-	4.58
Credit impaired	-	-	-	1.43	0.40	0.82	2.65
Gross trade receivables	-	380.31	84.36	97.79	36.20	155.21	753.87
Allowance for credit impairment and expected credit loss		-	-	-	-	-	(129.13)
Total							624.74
As on March 31, 2023							
Undisputed trade receivables							
Considered good	-	345.12	115.76	62.70	20.17	81.89	625.64
Credit impaired	-	-	3.94	13.72	16.72	45.09	79.47
Disputed trade receivables							
Considered good	-	-	-	-	-	32.45	32.45
Credit impaired	-	-	-	-	-	28.97	28.97
Gross trade receivables	-	345.12	119.70	76.42	36.89	188.40	766.53
Allowance for credit impairment and expected credit loss	-	-	-	-	-	-	(115.59)
Total							650.94

### 8.2 Movement in allowance for credit impairment and expected credit loss is as under:

Particulars	March 31, 2024	March 31, 2023
Balance as at beginning of the year	115.59	115.03
Less: Impairment during the year, (net)	13.54	0.56
<b>Balance as at the end of the year</b>	<b>129.13</b>	<b>115.59</b>

### 8.3 Relationship with struck off companies

Name of struck off company	Nature of transaction	Transactions during the year ended		Balance outstanding as at		Relationship with the struck off company
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
Stribog Technologies Private	Trade	-	-	-	0.02	None
V.G.Wind Energy Private Ltd	receivable	-*	-	-	-	

\*Less than ₹ 0.01 Crore



## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 9. Loans

	March 31, 2024	March 31, 2023
<b>Non-current</b>		
Receivable towards debt assignment (refer Note 9.1)	636.18	562.99
Inter-corporate deposits to related parties		
Credit impaired	198.29	224.00
Less: Allowance for credit impaired	(198.29)	(224.00)
<b>Total</b>	<b>636.18</b>	<b>562.99</b>
<b>Current</b>		
Unsecured, considered good		
Loans to employees	0.01	-
<b>Total</b>	<b>0.01</b>	<b>-</b>

Loans are disclosed at amortised cost.

#### 9.1 Receivable towards debt assignment

As part of implementation of resolution plan in June 2022, pursuant to the assignment of debt, the Company recognised the amount of ₹ 4,453.01 Crore as loan receivable from SEL. The loan receivable from SEL was agreed terms at interest rate of 0.0001% and has maturity date of March 31, 2040.

The loan receivable was initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate ('EIR') method at 13.00%. The resultant gain or loss at initial recognition was recognised in other equity.

9.2 Loans granted to related parties is ₹ 636.18 Crore which is 100% of total loans granted (previous year: ₹ 562.99 Crore being 100% of total loans granted).

#### 10. Other financial assets

	March 31, 2024	March 31, 2023
<b>Non-current</b>		
Bank balances #	27.47	15.26
Security deposits (unsecured, considered good)	2.68	2.55
<b>Total</b>	<b>30.15</b>	<b>17.81</b>
<b>Current</b>		
Income accrued but not due	88.84	105.97
Security deposits (unsecured, considered good)	6.62	6.62
Other assets	2.72	0.25
<b>Total</b>	<b>98.18</b>	<b>112.84</b>

All the financial assets are disclosed at amortised cost.

# Bank balances represents margin money deposits, which are subject to first charge towards non-fund based facilities from banks.





## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 11. Other assets

	March 31, 2024	March 31, 2023
<b>Non-current</b>		
Capital advances (unsecured, considered good)	1.17	0.80
Advances recoverable in kind		
Credit impaired	1.16	0.85
Less: Allowance for credit impaired	(1.16)	(0.85)
Advance income tax (net of provisions)	38.69	21.79
<b>Total</b>	<b>39.86</b>	<b>22.59</b>
<b>Current</b>		
Advances recoverable in kind (unsecured, considered good)	103.61	92.21
Advances to employees	0.69	0.28
Prepaid expenses	4.25	2.81
Balances with government authorities	28.72	42.50
Others	0.62	0.58
<b>Total</b>	<b>137.89</b>	<b>138.38</b>

#### 12. Inventories (valued at lower of cost and net realisable value)

	March 31, 2024	March 31, 2023
Raw materials [including goods in transit ₹ 2.52 Crore (previous year: ₹ 5.32 Crore)]	605.32	566.84
Work-in-progress	152.09	183.19
Finished goods	69.86	51.96
Stores and spares	37.80	34.87
<b>Total</b>	<b>865.07</b>	<b>836.86</b>

#### 13. Cash and cash equivalents

	March 31, 2024	March 31, 2023
Balances with banks	98.64	47.23
Cash on hand	0.39	0.16
<b>Total</b>	<b>99.03</b>	<b>47.39</b>

There are no restrictions with regard to cash and cash equivalents as the end of the financial year and previous year.



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## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 14. Equity share capital

	March 31, 2024	March 31, 2023
<b>Authorised share capital</b>		
534,30,00,000 (previous year: 534,30,00,000) equity shares of ₹ 10 each	5,343.00	5,343.00
21,000,000 (previous year: 21,000,000) preference shares of ₹ 100 each	210.00	210.00
450,000 (previous year: 450,000) preference shares of ₹ 100,000 each	4,500.00	4,500.00
<b>Total</b>	<b>10,053.00</b>	<b>10,053.00</b>
<b>Issued, subscribed and fully paid-up shares</b>		
<b>Equity share capital</b>		
29,371,254 (previous year: 29,371,254) equity shares of ₹ 10 each fully paid.	29.37	29.37
<b>Total</b>	<b>29.37</b>	<b>29.37</b>
<b>Preference share capital</b>		
1,000,000 (previous year: 1,000,000) 8% Redeemable Cumulative Preference Shares of ₹ 100 each	10.00	10.00
10,000 (previous year: 10,000) 0.1% Redeemable Non-Cumulative Preference Shares of ₹ 100 each	0.10	0.10
<b>Total</b>	<b>10.10</b>	<b>10.10</b>

#### 14.1 Reconciliation of the equity shares:

	March 31, 2024		March 31, 2023	
	Number of shares (Crore)	₹ in Crore	Number of shares (Crore)	₹ in Crore
Opening balance	2.94	29.37	2.94	29.37
Issued during the year	-	-	0.00*	0.00*
<b>Closing balance</b>	<b>2.94</b>	<b>29.37</b>	<b>2.94</b>	<b>29.37</b>

\* Less than ₹ 0.01 Crore

#### 14.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### 14.3 Redeemable Cumulative Preference Shares ("RCPS")

1,18,800 and 8,81,200 8% RCPS of ₹ 100/- each fully paid are redeemable at par at the discretion of Board after 20 years from date of allotment, i.e. March 29, 2005 and June 28, 2005 respectively. The Company as well as the preference shareholders shall respectively have the call and put option to redeem preference shares at any time after 1(one) month from the date of allotment subject however to the consent of the preference shareholder and Company, as the case may be.



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## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 14.4 Details of shares held by promoters and shareholders holding more than 5% in the Company:

Name of shareholder	At the beginning of the year	Change during the year	At the end of the year	% of total shares	% change during the year
Suzlon Energy Limited <sup>\$</sup>					
As at March 31, 2024	2,93,71,254	-	2,93,71,254	100.00	-
As at March 31, 2023	2,93,66,800	4,454	2,93,71,254	100.00	0.00

<sup>\$</sup> As per the records of the Company, including its register of shareholders/ members and other communications received from the shareholder(s), Suzlon Energy Limited ("SEL") together with its nominees (in terms of and in compliance with the provisions of Section 187 of the Companies Act, 2013) holds the entire 100% shareholding of the Company and thus the Company is a Wholly Owned Subsidiary ("WOS") of SEL.

#### 15. Other equity:

Refer Statement of Changes in Equity for detailed movement in equity balance.

	March 31, 2024	March 31, 2023
Equity component of compound financial instruments	6.78	6.78
Capital reserve	194.51	194.51
General reserve	3.49	3.49
Securities premium	922.20	922.20
Capital contribution	131.80	131.80
Retained earnings	(628.41)	(1,261.89)
<b>Total</b>	<b>630.37</b>	<b>(3.11)</b>

#### Nature and purposes of other reserves:

##### a. Capital reserve

The Company recognises profit or loss on purchase / sale of the equity instruments in case of merger to capital reserve.

##### b. General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend or a portion of net profit keptd separately for future purpose is disclosed as general reserve.

##### c. Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

##### d. Capital contribution

The resultant gain arising on extinguishment of debt and fair value of financial instruments issued as per the terms of Resolution plan had been transferred to Capital contribution.



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## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 16. Borrowings

	March 31, 2024	March 31, 2023
<b>Non-current</b>		
Liability component of:		
8% redeemable preference shares (unsecured) (refer Note 14.3)	20.24	20.75
9% compulsorily convertible debentures (unsecured)	380.37	375.11
Loan from related party (unsecured)	884.00	1,219.12
<b>Total</b>	<b>1,284.61</b>	<b>1,614.98</b>
<b>Current</b>		
8% redeemable preference shares (unsecured) (refer Note 14.3)	2.78	-
<b>Total</b>	<b>2.78</b>	<b>-</b>

**16.1** Financial facilities by way of Rupee Term Loan ('RTL') from REC Ltd and IREDA in accordance with the RTL Agreement was repaid fully during the financial year and released all its mortgaged and pledged securities.

**16.2** Loans from related parties comprise of Inter Corporate Deposit from the holding company SEL, which carry interest @ 10% p.a. and used for business operations. As per the terms of the agreement executed during the year between the Company and SEL, the loans are repayable by the Company at the end of the term up to June 30, 2030. The Company has option to make early prepayment of the loans during the term.

**16.3** During the year, the parent Company has availed Non-Fund Based ('NFB') facilities from banks and financial institutions on the basis of security of current assets of the Company, charge on bank accounts (including TRA, DSRA and cash margin accounts) pari-passu charge on identified fixed assets, assignment of all rights and benefits arising out of the contracts in respect of the projects for which the facility is being availed, including all rights of SEL under these contracts, corporate guarantee of the Company and non-disposal undertaking of SE Forge Limited shares.

**16.4** The details of repayment of long-term borrowings are as follows:

Particulars	Year	Up to 1 year	2 to 5 years	Above 5 years	Total
Unsecured loans	March 31, 2024	-	-	884.00	884.00
	March 31, 2023	569.12	650.00	-	1,219.12
<b>Total</b>	<b>March 31, 2024</b>	<b>-</b>	<b>-</b>	<b>884.00</b>	<b>884.00</b>
	<b>March 31, 2023</b>	<b>569.12</b>	<b>650.00</b>	<b>-</b>	<b>1,219.12</b>



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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### 16.5 Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

Balance sheet caption	Statement of cash flow line item	As at April 01, 2023	Cash flows	Non-cash changes/Impact of foreign exchange rates	As at March 31, 2024
Borrowings	Repayment of long-term borrowings	1,614.98	(439.34)	111.75	1,287.39
Lease liabilities	Payment of principal portion of lease liabilities	13.05	(7.03)	0.97	6.99

Balance sheet caption	Statement of cash flow line item	As at April 01, 2022	Cash flows	Non-Cash changes/Impact of foreign exchange rates	As at March 31, 2023
Borrowings	Repayment of long-term borrowings	3,154.62	(353.13)	(1,186.51)	1,614.98
Lease liabilities	Payment of principal portion of lease liabilities	18.28	(6.69)	1.46	13.05

Borrowings are disclosed at amortised cost

### 17. Trade payables

	March 31, 2024	March 31, 2023
Trade payables to micro enterprises and small enterprises (MSE)	5.66	7.30
Trade payables to related parties	26.74	42.73
Trade payables to others	311.73	379.01
<b>Total</b>	<b>344.13</b>	<b>429.04</b>

Trade payables are disclosed at amortised cost.

#### 17.1 Ageing schedule for trade payables

	Unbilled dues	Outstanding from due date of payment					Total
		Not due	< 1 year	1-2 years	2-3 years	> 3 years	
As on March 31, 2024							
Undisputed dues of MSE	-	1.83	3.51	0.09	0.12	0.11	5.66
Undisputed dues of creditors other than MSE	41.25	66.38	203.31	7.29	2.31	17.93	338.47
Disputed dues of MSE	-	-	-	-	-	-	-
Disputed dues of creditors other than MSE	-	-	-	-	-	-	-
Total	41.25	68.21	206.82	7.38	2.43	18.04	344.13
As on March 31, 2023							
Undisputed dues of MSE	-	3.85	2.98	0.25	0.20	0.02	7.30
Undisputed dues of creditors other than MSE	71.67	199.81	116.00	4.64	10.20	19.42	421.74
Disputed dues of MSE	-	-	-	-	-	-	-
Disputed dues of creditors other than MSE	-	-	-	-	-	-	-
Total	71.67	203.66	118.98	4.89	10.40	19.44	429.04



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### 17.2 Details of due to micro and small enterprises as defined under MSMED Act, 2006

Sl. Particulars	March 31, 2024	March 31, 2023
a. The principal amount remaining unpaid to any supplier as at the end of the accounting year	5.66	7.30
b. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.30	0.33
c. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	46.56	22.81
d. The amount of interest due and payable for the year of delay in making payment but without adding the interest specified under this Act	1.61	0.74
e. The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	1.91	1.07

The Company has identified small enterprises and micro enterprises, as defined under the MSMED Act, 2006 by requesting confirmation from the vendors through the letters circulated by the Company.

### 17.3 Relationship with struck off companies

Name of struck off company	Nature of transaction	Transactions during the year ended		Balance outstanding as at		Relationship with the struck off company
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
Sumitron Exports Pvt Ltd	Purchase of goods	-	0.06	-	0.03	None
Avanza Epsilon Elektro Pvt. Ltd		-	-	0.10	-	
Sunhertz Power & Infrastructures		-	-	0.00*	-	
Sumitron Exports Pvt Ltd	Advance given	-	0.06	-	0.03	
Avanza Epsilon Elektro Pvt. Ltd		-	-	-	0.10	
Mita- Technik Technology Pvt Ltd		-	-	-	0.08	
Sunhertz Power & Infrastructures	Payable	-	-	-	0.00*	

\*Less than 0.01 Crore.

### 18. Other financial liabilities

**Non-current:** It consists of security deposit from customers of ₹ 0.03 Crore (previous year: ₹ 0.03 Crore).

**Current:** It consists of employee payables of ₹ 30.60 Crore (previous year: ₹ 31.91 Crore).

All the financial liabilities are disclosed at amortised cost.

### 19. Provisions

**Non-current:** It consists of provision for employee benefits of ₹ 19.27 Crore (previous year: ₹ 21.41 Crore).

**Current:** It consists of provision for employee benefits of ₹ 13.35 Crore (previous year: ₹ 17.16 Crore) and provision for machine availability of ₹ 107.34 Crore (previous year: ₹ 67.86 Crore).

In pursuance of Ind AS 37 - 'Provisions, contingent liabilities and contingent assets', the provisions required have been incorporated in the books of account in the following manner:





## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

Particulars	Machine availability	
	March 31, 2024	March 31, 2023
Opening balance	67.86	67.63
Additions	71.43	65.11
Utilisation	(31.95)	(64.88)
Reversal	-	-
<b>Closing balance</b>	<b>107.34</b>	<b>67.86</b>

Machine availability provision represents obligation of the Company to compensate the customer in connection with unplanned suspension of operations or the expected outflow of resources against claims for the loss incurred by the customer on account of the wind turbine generator uptime being lower than the specific threshold of the time the grid was available, as defined in the contracts.

#### 20. Other liabilities

**Non-current** – It consists of deferred liability\* of ₹ 19.12 Crore (previous year: ₹ 14.69 Crore).

	March 31, 2024	March 31, 2023
<b>Current</b>		
Statutory dues	27.79	22.51
Deferred revenue	14.00	-
Deferred liability *	4.94	4.94
<b>Total</b>	<b>46.73</b>	<b>27.45</b>

\*Compulsory convertible debentures has been classified as financial liability and are measured at amortised cost.

#### 21. Revenue from operations

##### 21.1 Disaggregated revenue information

	March 31, 2024	March 31, 2023
<b>Type of revenue</b>		
<b>a. Revenue from contract with customers</b>		
Income from operating and maintenance service	1,601.38	1,518.44
Project execution income	424.86	311.44
Power evacuation infrastructure services	82.69	40.84
Income from power generation	0.80	1.62
Income from sale of land	0.08	-
Spare part sales	115.57	97.77
<b>Total – a</b>	<b>2,225.38</b>	<b>1,970.11</b>
<b>b. Other revenue</b>		
Scrap sales	35.36	28.82
<b>Total (a+b)</b>	<b>2,260.74</b>	<b>1,998.93</b>
<b>Geography</b>		
India	2,254.55	1,993.79
Outside India	6.19	5.14
<b>Total</b>	<b>2,260.74</b>	<b>1,998.93</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	151.00	128.21
Services transferred at a point in time /over time	2,109.74	1,870.72
<b>Total</b>	<b>2,260.74</b>	<b>1,998.93</b>



## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 21.2 Contract balances

	March 31, 2024	March 31, 2023
Trade receivables	624.74	650.94
Contract liabilities	107.21	225.52

#### 21.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

	March 31, 2024	March 31, 2023
Revenue as per contracted price	2,332.17	2,064.04
<b>Less: Variable consideration</b>		
Machine availability (refer Note 19)	(71.43)	(65.11)
<b>Total</b>	<b>2,260.74</b>	<b>1,998.93</b>

#### 21.4 Performance obligation

##### OMS services

The performance obligation is satisfied over-time and payment is due within 30 days from invoice date which is raised as per contractual agreement.

##### Project services

Project services includes civil foundation, electrical, installation and commissioning of WTG's. The performance obligation is satisfied over-time and payment is generally due upon completion of milestone.

##### Power evacuation infrastructure services

The performance obligation is satisfied at a point in time upon commissioning and electrical installation of the WTG to the said facilities followed by approval for commissioning of WTG from the concerned authorities.

#### 22. Finance income

	March 31, 2024	March 31, 2023
Interest income on:		
on deposits with banks	1.35	0.60
on other financial assets	83.67	71.82
<b>Total</b>	<b>85.02</b>	<b>72.42</b>



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## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 23. Cost of raw materials, components consumed and services rendered

	March 31, 2024	March 31, 2023
Opening inventory	566.84	465.29
Add: Purchases (including works contract and services)	751.12	677.39
	1,317.96	1142.68
Less: Closing inventory	605.32	566.84
	712.64	575.84
Cost of project services and infrastructure development expenses	304.34	238.53
	1,016.98	814.37
<b>Changes in inventories:</b>		
Opening inventory		
Work-in-progress	183.19	184.95
Finished goods	51.96	48.96
(A)	235.15	233.91
Closing inventory		
Work-in-progress	152.09	183.19
Finished goods	69.86	51.96
(B)	221.95	235.15
<b>Changes in inventories</b>	<b>(C) = (A) - (B)</b>	<b>13.20</b>
		<b>(1.24)</b>

#### 24. Employee benefits expense

	March 31, 2024	March 31, 2023
Salaries, wages, allowances and bonus	223.78	194.08
Contribution to provident fund and other funds	19.20	16.46
Share based payments (refer Note 43 a)	5.82	-
Staff welfare expenses	24.59	20.71
<b>Total</b>	<b>273.39</b>	<b>231.25</b>

#### 25. Finance costs

	March 31, 2024	March 31, 2023
Interest expenses on financial liabilities measured at amortised cost		
on term loans	-	0.37
on inter corporate deposits	104.27	126.03
on other financial liabilities	44.51	63.73
Bank charges	0.50	0.63
<b>Total</b>	<b>149.28</b>	<b>190.76</b>

#### 26. Depreciation and amortisation expense

	March 31, 2024	March 31, 2023
Depreciation on property, plant and equipment (refer Note 4)	15.69	11.98
Amortisation on right-of-use assets (refer Note 33)	5.69	5.69
Amortisation of goodwill and other intangible assets (refer Note 6)	0.58	364.53
<b>Total</b>	<b>21.96</b>	<b>382.20</b>



## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 27. Other expenses

	March 31, 2024	March 31, 2023
Site expenses	22.25	22.37
Repairs and maintenance:		
Plant and machinery	2.33	1.83
Building	2.21	1.06
Others	3.62	6.04
Rent, rates and taxes	12.44	15.56
Insurance	10.53	8.33
Advertisement and sales promotion	0.21	0.42
Freight outward and packing expenses	14.00	16.80
Travelling, conveyance and vehicle expenses	65.71	57.51
Communication expenses	5.07	3.28
Auditors' remuneration and expenses (refer Note 27.1)	0.29	0.39
Consultancy charges	55.81	46.87
CSR, charity and donations (refer Note 27.2)	9.70	1.95
Security expenses	47.25	44.13
Miscellaneous expenses	9.41	3.88
Exchange differences, net	0.48	0.49
Impairment allowance	(0.26)	(0.23)
Bad debts written off	(0.26)	14.95
Allowance for doubtful debts and advances	14.17	7.37
Loss on disposal of property, plant and equipment, net	0.70	0.31
<b>Total</b>	<b>275.66</b>	<b>253.31</b>

#### 27.1 Payment to auditors includes:

	March 31, 2024	March 31, 2023
Statutory audit fees	0.27	0.37
Reimbursement of out-of-pocket expenses	0.02	0.02
<b>Total</b>	<b>0.29</b>	<b>0.39</b>

#### 27.2 Corporate Social Responsibility ('CSR') disclosure

The Company has spent ₹ 9.70 Crore (previous year: ₹ 1.95 Crore) towards various schemes of CSR as prescribed under section 135 of the Companies Act, 2013. The details are:

- Gross amount required to be spent by the Company during the year: ₹ 1.13 Crore (previous year: ₹ 1.37 Crore);
- Amount spent in cash for purposes other than construction/ acquisition of any asset during the year is ₹ 9.70 Crore (previous year: ₹ 1.95 Crore) and amount yet to be paid in cash is ₹ Nil (previous year: ₹ Nil);
- Above includes a contribution of ₹ 2.59 Crore (previous year: ₹ 1.86 Crore) to Suzlon Foundation, a subsidiary registered under Section 8 of the Companies Act, 2013, with the main objectives of working in the areas of social, economic and environmental issues such as empowerment, health, education, civic amenities, environment, livelihood, transformative, proactive and enable the less privileged segments of the society to improve their livelihood by enhancing their means and capabilities to meet the emerging opportunities.

d. The Company does not carry any provisions for CSR expenses for current year and previous year.





## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 28. Exceptional item

	March 31, 2024	March 31, 2023
Gain on reversal of impairment on loans given to subsidiary	(25.71)	-
Gain on de-recognition of CCPS liability due to conversion into equity shares	-	(593.92)
<b>Total</b>	<b>25.71</b>	<b>593.92</b>

#### 29. Income tax expense

29.1 Current tax charged to statement of profit and loss is ₹ Nil (previous year: ₹ Nil).

#### 29.2 Reconciliation of income tax expense and the accounting profit:

	March 31, 2024	March 31, 2023
Accounting profit before income tax	629.74	795.24
Enacted tax rates in India	25.168%	25.168%
Computed tax expense	158.49	200.15
Non-deductible expenses as per income tax	16.02	122.53
Deductible expenses for tax purpose	(30.16)	(188.35)
Effect of unrecognized deferred tax assets	(144.35)	(134.33)
<b>Tax expenses as per statement of profit and loss</b>	<b>-</b>	<b>-</b>

#### 29.3 Details of carry forward losses, material disputes and unused credit on which no deferred tax asset is recognised by the Company are as follows:

The unabsorbed depreciation is available for offsetting all future taxable profits of the Company and can be carried forward indefinitely. The business loss can be carried forward for 8 years from the year in which losses arose. Business loss, to the extent remaining unutilized will expire in FY 2026-27 and FY 2027-28.

The Company has opted for concessional tax regime u/s.115BAA since FY 20-21 and accordingly MAT is not applicable.

The Company has unabsorbed depreciation and brought forward losses amounting to ₹ 820.90 Crore (previous year: ₹ 1,370.29 Crore).

The Company received notice u/s. 148 of the Act for FY 2015-16 for reassessment against which the Company has preferred a writ which has been admitted by the Hon'ble Gujarat High Court and stay has been granted on passing of any final order.

#### 30. Components of other comprehensive income (OCI)

It includes re-measurement profit on defined benefit plans of ₹ 3.74 Crore (previous year: loss of ₹ 3.79 Crore), refer Note 32.

#### 31. Earnings per equity share (EPS)

	March 31, 2024	March 31, 2023
<b>Basic and diluted</b>		
Net profit after tax attributable to equity shareholders	629.74	795.24
Weighted average number of equity shares	2,93,71,254	2,93,70,607
Basic and diluted earnings per share of ₹ 10 each	214.41	270.76



## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 32. Post-employment benefit plans

##### Defined contribution plan:

During the year the Company has recognised ₹ 11.09 Crore (previous year ₹ 9.62 Crore) in the statement of profit and loss towards employer contribution to provident fund/ pension fund. The Company manages provident fund plan for its employees which is permitted under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan mandates contribution by employer at a fixed percentage of employee's salary. Employees also contribute to the plan at a fixed percentage of their salary as a minimum contribution and additional sums at their discretion. The plan guarantees interest at the rate notified by Employees' Provident Fund Organisation. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

##### Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five or more years of service is eligible for gratuity. Gratuity is computed based on 15 days salary based on last drawn salary for each completed year of service. The scheme is partially funded with an insurance company in the form of a qualifying insurance policy.

#### 32.1 Net employee benefits expense recognised in statement of profit and loss and in OCI:

	March 31, 2024	March 31, 2023
Current service cost	4.28	3.68
Net interest cost	1.53	1.06
<b>Total expense recognised in statement of profit and loss – A</b>	<b>5.81</b>	<b>4.74</b>
Re-measurement for the period - obligation (gain) / loss	(3.74)	4.11
Re-measurement for the period – plan assets (gain) / loss	-*	(0.32)
<b>Total expense recognised in OCI – B</b>	<b>(3.74)</b>	<b>3.79</b>
<b>Grand total – C (A+B)</b>	<b>2.07</b>	<b>8.53</b>

#### 32.2 Changes in the defined benefit obligation:

	March 31, 2024	March 31, 2023
Opening defined benefit obligation	36.35	29.04
Add: Adjustments on account of merger	-	(4.76)
Current service cost	4.28	3.68
Interest cost	2.70	1.95
Benefits paid	(2.17)	(2.15)
Acquisition adjustments/ settlement cost	-*	4.48
<b>Re-measurement adjustments:</b>		
Actuarial changes arising from changes in demographic assumptions	(1.00)	0.42
Actuarial changes arising from changes in financial assumptions	0.68	1.12
Experience adjustment (i.e. actual experience vs assumptions)	(3.43)	2.57
<b>Closing defined benefit obligation</b>	<b>37.41</b>	<b>36.35</b>

\*Less than ₹ 0.01 Crore





# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### 32.3 Changes in the fair value of plan assets:

	March 31, 2024	March 31, 2023
Opening fair value of plan assets	15.79	14.50
Add: Additions on account of merger	-	(2.91)
Interest income	1.17	0.89
Contributions by employer towards approved fund	3.95	2.20
Benefits paid	(2.17)	(2.15)
Acquisition adjustments/ settlement cost	~*	2.94
<b>Re-measurement adjustments:</b>		
Return on plan assets, excluding amount recognised in interest expense	-	0.32
<b>Closing fair value of plan assets</b>	<b>18.74</b>	<b>15.79</b>

\*Less than ₹ 0.01 Crore

**32.4** Funds managed by insurer is 100% for March 31, 2024 (previous year: 100%). The composition of investment in respect of funded defined benefit plans are not available with the Company the same has not been disclosed.

### 32.5 Net asset/ (liability) recognised in the balance sheet:

	March 31, 2024	March 31, 2023
Current portion	4.18	3.25
Non-current portion	33.23	33.10
Present value of defined benefit obligation as at the end of the year	<b>37.41</b>	<b>36.35</b>
Fair value of plan assets as at the end of the year	18.74	15.79
<b>Net asset/ (liability) recognised in the balance sheet</b>	<b>(18.67)</b>	<b>(20.56)</b>

### 32.6 Principal assumptions used in determining long term employee benefits:

	March 31, 2024	March 31, 2023
Discount rate (in %)	7.10	7.40
Future salary increases (in %)	7.50% for 2025 and 9% thereafter	9%
Life expectation (in years)	5.37	6.55
Attrition rate	23.90% at younger ages and reducing to 8.30% at older ages according to graduated scale	25.60% at younger ages and reducing to 6.20% at older ages according to graduated scale

During the year, the Company has re-assessed the actuarial assumption for attrition rate based on trend of attrition.

### 32.7 Quantitative sensitivity analysis for significant assumptions:

**Interest rate risk:** The plan exposes the company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.



## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

**Salary escalation risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Particulars	March 31, 2024		March 31, 2023	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	3.27	(2.85)	3.74	(3.22)
Future salary increases (- / + 1%)	(2.84)	3.19	(3.21)	3.65
Attrition rate (- / + 50% of attrition rates)	2.35	(1.33)	1.79	(1.11)

#### 32.8 Expected benefit payment for the next years:

Particulars	March 31, 2024	March 31, 2023
1 year	4.18	3.25
2 to 5 years	14.58	11.53
6 to 10 years	15.47	14.79
More than 10 years	41.76	57.07

For the year ending on March 31, 2025, the Company expects to contribute ₹ 23.10 Crore (previous year: ₹ 24.81 Crore) towards its defined benefit plan.

The average duration of the defined benefit plan obligation at the end of the financial year is 8 years (previous year: 10 years).

### 33. Leases

The Company has lease contracts for land used in its operations and maintenance services. Leases of land have lease terms ranging between 1 - 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of premises with lease terms of 12 months or less and with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

#### 33.1 The movement in ROU asset land during the year and carrying value are as follows:

Particulars	March 31, 2024	March 31, 2023
Opening balance	11.39	17.09
Additions	-	-
Amortisation expense	(5.69)	(5.69)
<b>Closing balance</b>	<b>5.70</b>	<b>11.39</b>



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## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 33.2 The movement in lease liabilities during the year are as follows:

Particulars	March 31, 2024	March 31, 2023
Opening balance	13.05	18.28
Additions	-	-
Finance cost accrued during the year	0.97	1.47
Payment of lease liabilities	(7.03)	(6.70)
<b>Closing balance</b>	<b>6.99</b>	<b>13.05</b>

#### 33.3 The following are the amounts recognised in the statement of profit and loss:

Particulars	March 31, 2024	March 31, 2023
Amortisation expense on right-of-use assets	5.69	5.69
Interest expense on lease liabilities	0.97	1.47
Rental expense for short-term leases (included in other expenses)	12.48	9.91
<b>Total</b>	<b>19.14</b>	<b>17.07</b>

#### 33.4 Details of contractual maturities of lease liabilities are as follows:

Particulars	March 31, 2024	March 31, 2023
Not later than one year	6.99	6.06
Later than one year and not later than five years	-	6.99
Later than five years	-	-
<b>Total</b>	<b>6.99</b>	<b>13.05</b>

The effective interest rate for lease liabilities is 9% with maturity between 2023 and 2025. During the year, the Company had total cash outflows for leases of ₹ 19.51 Crore (previous year ₹ 16.61 Crore).

34. **Capital and other commitments:** Estimated amount of contract remaining to be executed on capital accounts and not provided for, net of advances ₹ 5.77 Crore (previous year: ₹ 5.36 Crore).

#### 35. Contingent liabilities

Nature	March 31, 2024	March 31, 2023
Claims against the Company not acknowledged as debts (refer Note a below)	14.66	14.37
Amounts in respect of MSMED for which the Company is contingently liable	1.91	1.07
<b>Total</b>	<b>16.57</b>	<b>15.44</b>

- (a) Claims against the Company not acknowledged as debts includes demand from customs duty, service tax, VAT, GST and labour department for various matters. The Company/ tax department has preferred appeals on these matters and the same are pending with various appellate authorities. Considering the facts of the matters, no provision is considered necessary by the management.
- (b) The Company has also one income tax matter where the Company has preferred appeals on that matter and the same are pending with appellate authority. As the Company has sufficient carry forward losses available for set-off in case the Company loses, the liability is neither provided nor disclosed above under contingent liabilities.



## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

- (c) A few lawsuits have been filed on the Company by some of their suppliers for disputes in fulfilment of obligations as per supply agreements. Further, few customers of the Company have disputed certain amount as receivable which the Company believes is contractually not payable. These matters are pending for hearing before respective courts, the outcome of which is uncertain. The management has provided portion of an amount as a matter of prudence which it believes shall be the probable outflow of resources. Rest of the claim is not disclosed above under contingent liabilities is considered necessary by the management.

### 36. Segment information

Particulars	April 1, 2023 to March 31, 2024				April 1, 2022 to March 31, 2023			
	OMS	Project division	Power generation division	Total	OMS	Project division	Power generation division	Total
Segment revenue	1,758.79	501.15	0.80	2,260.74	1,640.17	357.14	1.62	1,998.93
Segment results	675.94	(8.31)	0.66	668.29	333.57	(15.33)	1.42	319.66
<b>Add / (less) items to reconcile with profit as per statement of profit and loss</b>								
Add: Finance income				85.02				72.42
Less: Finance costs				(149.28)				(190.76)
<b>Profit before exceptional items and tax</b>				<b>(604.03)</b>				<b>201.32</b>
Add: Exceptional gain				(25.71)				(593.92)
Less: Tax expense				-				-
<b>Profit after tax</b>				<b>629.74</b>				<b>795.24</b>
Segment assets	1,242.51	615.18	0.87	1,858.56	1,223.03	617.79	0.86	1,841.68
Common assets				783.33				647.68
Enterprise assets				2,641.89				2,489.36
Segment liabilities	326.46	368.30	-	694.76	432.46	415.66	-	848.12
Common liabilities				1,287.39				1,614.98
Enterprise liabilities				1,982.15				2,463.10
Depreciation	20.39	1.49	0.08	21.96	381.23	0.88	0.09	382.20



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## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 37. Related party transactions

##### 37.1 List of related parties

Sr. No.	Name of the entity	Nature of relationship
1	Suzlon Energy Limited	Holding company
2	Suzlon Gujarat Wind Park Limited	Subsidiary
3	Suzlon Wind Energy (Lanka) Pvt. Limited	Fellow subsidiary
4	Suzlon Energy Australia Pty. Ltd	Fellow subsidiary
5	Suzlon Wind Energy Equipment Trading (Shanghai) Co.	Fellow subsidiary
6	SE Forge Limited	Fellow subsidiary
7	Suzlon Energy A/S	Fellow subsidiary
8	Aalok Solarfarms Limited <sup>(v)</sup>	Associate company
9	Abha Solarfarms Limited <sup>(v)</sup>	Associate company
10	Heramba Renewables Limited <sup>(v)</sup>	Associate company
11	Shreyas Solarfarms Limited <sup>(v)</sup>	Associate company
12	Mrs. Shivani R. Nirgudkar	Key Management Personnel (KMP)
13	Mr. Vinod R. Tanti	Key Management Personnel (KMP)
14	Mr. Ranjitsinh A. Parmar	Key Management Personnel (KMP)
15	Mr. Himanshu Mody <sup>(i)</sup>	Key Management Personnel (KMP)
16	Mr. Ajay Mathur <sup>(ii)</sup>	Key Management Personnel (KMP)
17	Mr. Vaidhyanathan Raghuraman	Key Management Personnel (KMP)
18	Mr. Per Hornung Pederson	Key Management Personnel (KMP)
19	Mr. Ishwar Chand Mangal <sup>(iv)</sup>	Key Management Personnel (KMP)
20	Mr. Om Prakash Talwar	Key Management Personnel (KMP)
21	Mr. Mr. Sairam Prasad <sup>(iii)</sup>	Key Management Personnel (KMP)
22	Mr. Jitendra R. Tanti	Relatives of Key Management Personnel (RKMP)
23	Mr. Girish R. Tanti	Relatives of Key Management Personnel (RKMP)
24	Rambhaben Ukabai	Relatives of Key Management Personnel (RKMP)
25	Suzlon Foundation	Entities where KMP/ RKMP have significant influence
26	Shubh Realty (South) Private Limited	Entities where KMP/ RKMP have significant influence
27	SE Freight and Logistics India Pvt Ltd	Entities where KMP/ RKMP have significant influence
28	Sarjan Realities Private Limited	Entities where KMP/ RKMP have significant influence
29	Tanti Holdings Private Limited	Entities where KMP/ RKMP have significant influence
30	Samiran Realities Limited	Entities where KMP/ RKMP have significant influence
31	Samanvaya Holdings Private Limited	Entities where KMP/ RKMP have significant influence
32	Pujaa Shree Green Power Pvt Ltd	Entities where KMP/ RKMP have significant influence
33	Pujaa Shree Green Renewable Won Pvt Ltd	Entities where KMP/ RKMP have significant influence
34	Suzlon Global Services Limited- Gratuity Fund	Employee fund
35	Suzlon Global Services Limited- Superannuation Fund	Employee fund

(i) Appointed w.e.f. October 18, 2023

(ii) Resigned w.e.f. September 21, 2023

(iii) Appointed w.e.f. January 16, 2024

(iv) Resigned as CEO w.e.f. January 16, 2024 and appointed as Director w.e.f. February 01, 2024.

(v) SEL has sold its investments during the year and accordingly ceased to be associate of the Company.



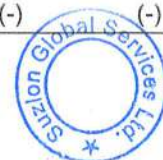
# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### 37.2 Transactions between the Company and related parties during the year and the status of outstanding balances as at March 31, 2024:

Particulars	Holding company	Fellow subsidiary	Associate	Entities where KMP/ RKMP have significant influence	KMP	RKMP	Employee fund
Purchase of goods and services	33.70 (44.89)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Purchase of Fixed assets	0.18 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Sale of goods and services	191.87 (204.56)	3.03 (4.26)	- (0.71)	2.61 (2.14)	0.29 (0.34)	0.89 (0.85)	- (-)
Interest expense	147.80 (169.20)	- (0.04)	- (-)	- (-)	- (-)	- (-)	- (-)
Consultancy charges	40.00 (40.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Interest income	106.14 (69.72)	0.58 (0.06)	- (-)	- (-)	- (-)	- (-)	- (-)
Reimbursement of amount receivable	- (4.06)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Rent paid	- (0.66)	2.92 (0.12)	- (-)	7.11 (6.86)	- (-)	- (-)	- (-)
Donation given	- (-)	- (-)	- (-)	2.59 (2.39)	- (-)	- (-)	- (-)
Managerial remuneration	- (-)	- (-)	- (-)	- (-)	5.90 (3.66)	- (-)	- (-)
Director sitting fees	- (-)	- (-)	- (-)	- (-)	0.07 (0.04)	- (-)	- (-)
Loans taken	40.37 (253.46)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Contribution to gratuity fund	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	4.37 (2.80)
Corporate guarantee given	2,800.00 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Loans given	- (-)	2.50 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Machine availability expenditure	- (-)	- (-)	- (-)	0.53 (0.13)	0.01 (-)	- (-)	- (-)
Share based payment	- (-)	- (-)	- (-)	- (-)	1.38 (-)	- (-)	- (-)
Repayment of loan taken	479.72 (575.63)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Realisation of loan given	- (-)	28.21 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Reimbursement of expenses payable	20.43 (22.98)	- (-)	- (-)	- (-)	0.37 (-)	- (-)	- (-)





# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

### Outstanding balances:

Particulars	Holding company	Fellow subsidiary	Associate	Entities where KMP/ RKMP have significant influence	KMP	RKMP
Director sitting fees payable	- (-)	- (-)	- (-)	- (-)	0.00* (0.00*)	- (-)
Loans given outstanding (including interest)	636.18 (562.99)	198.29 (224.00)	- (-)	- (-)	- (-)	- (-)
Contract liabilities	- (90.75)	0.18 (-)	- (-)	- (-)	- (-)	- (-)
Trade receivables	65.94 (136.59)	0.56 (2.70)	- (0.20)	0.63 (1.17)	- (0.09)	0.09 (0.27)
Trade payables	15.87 (33.63)	10.78 (7.70)	- (-)	0.09 (1.40)	- (-)	- (-)
Compulsorily convertible debentures	380.37 (375.11)	- (-)	- (-)	- (-)	- (-)	- (-)
Preference shares	23.02 (20.75)	- (-)	- (-)	- (-)	- (-)	- (-)
Unsecured loan outstanding (including interest)	884.00 (1,219.12)	- (-)	- (-)	- (-)	- (-)	- (-)
Impairment allowance on loans	- (-)	198.29 (224.00)	- (-)	- (-)	- (-)	- (-)
Income accrued but not due	19.15 (19.02)	- (-)	- (-)	- (-)	- (-)	- (-)
Equity portion of CCD	21.47 (19.63)	- (-)	- (-)	- (-)	- (-)	- (-)
Guarantee given	2,800.00 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Investment in equity shares	- (-)	191.60 (191.60)	- (-)	- (-)	- (-)	- (-)
Impairment allowance on investments	- (-)	191.60 (191.60)	- (-)	- (-)	- (-)	- (-)
Other current financial assets	1.51 (-)	- (-)	- (-)	- (-)	- (-)	- (-)

Figures in the bracket are in respect of previous year.

\*Less than ₹ 0.01 Crore



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## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 37.3 Disclosure of significant transactions with related parties

Type of the transaction	Type of relationship	Name of the entity / person	Year ended March 31,	
			2024	2023
Purchase of goods and services	Holding company	Suzlon Energy Limited	33.70	44.89
Sale of goods and services	Holding company	Suzlon Energy Limited	191.87	204.56
Managerial remuneration	KMP	Mr. Ishwar Chand Mangal	3.16	2.49
	KMP	Mr. Om Prakash Talwar	1.53	1.05
	KMP	Mr. Sairam Prasad	1.06	-
Rent paid	Entities where KMP/ RKMP have significant influence	Sarjan Realities Limited	7.03	6.70
	Fellow Subsidiary	Suzlon Gujarat Wind Park Ltd	2.92	-
Interest expense	Holding company	Suzlon Energy Limited	147.80	169.20
Consultancy charges	Holding company	Suzlon Energy Limited	40.00	40.00
Interest income	Holding company	Suzlon Energy Limited	106.14	69.72
Director sitting fees	KMP	Mr. Per Hornung Pedersen	0.01	0.01
	KMP	Ms. Seemantinee Khot	0.02	0.00*
	KMP	Mr. Vaidhyanathan Raghuraman	0.03	0.02
CSR expenditure	Entities where KMP/ RKMP have significant influence	Suzlon Foundation	2.59	2.39
Machine availability expenditure	Entities where KMP/RKMP have significant influence	SE Freight and Logistics India Private Limited	0.21	-
		Tanti Holdings Private Limited	-	0.13
		Samanvaya Holdings Pvt. Ltd.	0.32	-
Contribution to gratuity fund	Employee funds	Suzlon Energy Limited- Employee Group Gratuity Scheme	4.20	2.80
Loans taken	Holding company	Suzlon Energy Limited	40.37	253.46
Loans given	Subsidiary company	Suzlon Gujarat Wind Park Limited	2.50	-
Reimbursement of expenses payable	Holding company	Suzlon Energy Limited	20.43	22.98
Reimbursement of expenses receivable	Holding company	Suzlon Energy Limited	-	4.06
Realisation of loan given	Holding company	Suzlon Energy Limited	28.21	-
Corporate guarantee given	Holding company	Suzlon Energy Limited	2,800.00	-
ESOP Expenses	KMP	Mr. Ishwar Chand Mangal	0.96	-
	KMP	Mr. Om Prakash Talwar	0.42	-
Repayment of loan taken	Holding company	Suzlon Energy Limited	479.72	575.63

#### 37.4 Compensation of key management personnel of the Company recognised as an expense during the financial year

	March 31, 2024	March 31, 2023
Short-term employee benefits	5.50	3.30
Post-employment benefits	0.40	0.36
Share based payments	1.38	-
<b>Total</b>	<b>7.28</b>	<b>3.66</b>





## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 37.5 Terms and conditions of transactions with related parties

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

#### 38. Fair value measurements

The fair value of the financial assets and liabilities are considered to be same as their carrying values except for the investments in units of mutual funds. The fair value of investments in mutual funds is derived from the NAV of the respective units in the active market at the measurement date.

#### 39. Fair value hierarchy

There are no transfers between level 1 and level 2 and level 3 during the year and earlier comparative periods. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the financial year.

##### 39.1 Fair value measurement hierarchy of the Company's financial assets and liabilities at Level 2

	March 31, 2024	March 31, 2023
<b>Financial assets</b>		
Investment in Mutual Fund	8.35	-
<b>Total</b>	<b>8.35</b>	-
<b>Financial liabilities</b>	-	-

#### 40. Financial risk management

The Company's principal financial liabilities, comprises borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide support to its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The company also holds FVTPL investments.

The Company is exposed to market risk, credit risk and liquidity risk which may adversely impact the fair value of its financial instruments. The Company has constituted an internal Risk Management Committee (RMC) which is responsible for developing and monitoring the company's risk management framework. The focus of the RCM is that the company's financial risk activities are governed by appropriate policies and procedure and that the financial risk are identified, measured and managed in accordance with the Company's policies and risk objective. The Company's policy that no trading in derivative for speculative purpose may be undertaken. The risk management policies is approved by the board of director.

##### 40.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. The Company's exposure to market risk is primarily on account of interest risk and foreign currency risk. Financial instruments affected by market risk include borrowings.

The sensitivity analysis in the following sections relates to the position as at March 31, 2024 and as at March 31, 2023.

##### a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.



## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### b. Foreign currency risk and sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. As the Company does not have material exposure to the foreign currency, there is no risk associated with changes in foreign exchange rates.

The Company's exposure to foreign currency risk as at the end of the financial year are:

	March 31, 2024			March 31, 2023		
	USD	Euro	Others	USD	Euro	Others
<b>Financial assets</b>						
Trade receivables	3.46	-	0.18	6.96	-	0.74
Other assets	2.87	11.86	-	3.88	7.74	0.05
<b>Total</b>	<b>6.33</b>	<b>11.86</b>	<b>0.18</b>	<b>10.84</b>	<b>7.74</b>	<b>0.79</b>
<b>Financial liabilities</b>						
Trade payables	0.47	10.19	0.05	1.74	10.80	0.04
Other liabilities	0.17	0.18	-	0.35	-	-
<b>Total</b>	<b>0.64</b>	<b>10.37</b>	<b>0.05</b>	<b>2.09</b>	<b>10.80</b>	<b>0.04</b>

#### Foreign currency sensitivity

The Company's currency exposures in respect of monetary items as at March 31, 2024 and March 31, 2023 that result in net currency gains and losses in the income statement and equity arise principally from movement in US Dollar and Euro exchange rates.

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The other currencies includes Australian Dollar, Great Britain Pound and Danish Kroner.

Currency	Change in currency rate	Effect on profit before tax	
		March 31, 2024	March 31, 2023
USD	+5%	0.28	(0.15)
USD	-5%	(0.28)	0.15
EURO	+5%	0.07	0.44
EURO	-5%	(0.07)	(0.44)

#### 40.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities (primarily loans). The Company consistently monitors the financial health of its customers and sales proceeds are being realised as per the milestone payment terms agreed to minimise the loss due to defaults or insolvency of the customer. Progressive liquidity management is being followed to de-risk the Company from any non-fulfilment of its liabilities to various creditors, statutory obligations, or any stakeholders.

#### a. Trade receivables

The Company's exposure to trade receivables is limited due to diversified customer base. The Company consistently monitors progress under its contracts with customers and sales proceeds are being realised as per the milestone payment terms agreed to minimise the loss due to defaults or insolvency of the customer.





## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

#### b. Financial instruments

Financial instruments that are subject to concentrations of credit risk primarily consist of cash and cash equivalents, term deposit with banks and other financial assets. Investments of surplus funds are made only with approved counterparties and within credit limits assigned.

The Company's maximum exposure to credit risk as at March 31, 2024 and as at March 31, 2023 is the carrying value of each class of financial assets.

#### 40.3 Liquidity risk

Liquidity risk refers to that risk where the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. In doing this, management considers both normal and stressed conditions. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring cash flow forecast and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the contractual maturity profile of the Company's financial liabilities based on contractual undiscounted payment:

	Up to 1 year	1 - 5 years	> 5 years	Total
<b>March 31, 2024</b>				
Borrowings	-	-	884.00	884.00
Redeemable cumulative preference shares	2.78	20.24	-	23.02
Compulsorily convertible debentures	-	380.37	-	380.37
Other financial liabilities	30.60	-	-	30.60
Trade and other payables	344.13	-	-	344.13
<b>Total</b>	<b>377.51</b>	<b>400.61</b>	<b>884.00</b>	<b>1,662.12</b>
<b>March 31, 2023</b>				
Borrowings	-	-	1,219.12	1,219.12
Redeemable cumulative preference shares	-	20.75	-	20.75
Compulsorily convertible debentures	-	375.11	-	375.11
Other financial liabilities	31.91	-	-	31.91
Trade and other payables	429.04	-	-	429.04
<b>Total</b>	<b>460.95</b>	<b>395.86</b>	<b>1,219.12</b>	<b>2,075.93</b>

#### 41. Disclosure required under Sec 186(4) of the Companies Act, 2013

For details of loans and guarantees given to related parties for general corporate purpose refer Note 9.

For details of investments made refer Note 7.



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## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

#### 42. Ratios and its elements

Ratio	March 31, 2024	March 31, 2023	% change
<b>Current ratio <sup>(ii)</sup></b>			
Current assets/ Current liabilities	2.78	2.22	25.34
<b>Debt - Equity ratio <sup>(ii)</sup></b>			
Total debt/ Shareholders equity	1.95	61.50	96.83
<b>Debt service coverage ratio <sup>(i)</sup></b>			
EBITDA (excluding non-cash expenses)/ Interest + principal repayments	1.21	1.40	(13.16)
<b>Return on Equity ratio <sup>(ii)</sup></b>			
Net profit after tax - Preference dividend (if any)/ Equity shareholder's funds * 100	95.45	3,028.33	96.85
<b>Inventory turnover ratio <sup>(i)</sup></b>			
Sales/ average Inventory	2.66	2.56	3.78
<b>Trade receivables turnover ratio <sup>(i)</sup></b>			
Sales/ average receivables	3.54	3.26	8.72
<b>Trade payable turnover ratio <sup>(i)</sup></b>			
Net credit purchases/ average payables	2.14	2.14	0.05
<b>Net capital turnover ratio <sup>(i)</sup></b>			
Sales (includes only revenue from operation and other operating income)/ Capital employed = total assets - current liabilities	1.14	1.19	(3.58)
<b>Net profit ratio <sup>(ii)</sup></b>			
Net profit / Sales	0.27	0.10	165.29
<b>Return on capital employed (%) <sup>(ii)</sup></b>			
Earnings before interest and tax (EBIT)/ Capital employed = total assets - current liabilities	33.70%	18.98%	77.60
<b>Return on investment (%) <sup>(i)</sup></b>			
Finance income/ Investment	12.81%	12.52%	2.29

#### Reasons for variance

- (i) There is no significant change (i.e. change of more than 25% as compared to the immediately previous financial year) in the key financial ratios.
- (ii) Improved margins, profitability, cash and reduction in debt has resulted in movement in certain ratios.

#### 43. Other information

- a. On May 22, 2023, the Nomination and Remuneration Committee of the Board of Directors of Suzlon Energy Limited, the parent company of the Company ("NRC") has granted certain stock options to its employees and to the employees of its subsidiaries under the Employee Stock Option Plan 2022 at an exercise price of ₹ 5.00 per option. Accordingly, employees of the Company also received the options in the form of share-based payment transactions. The cost of equity settled transactions is recovered by the parent Company from the Company based on the estimated options that will vest to the employees of the Companies. As per the terms of approval of NRC, 50% of the options vested on May 22, 2024.
- b. On May 02, 2024, the Board of Directors of the Company has approved the Scheme of amalgamation involving merger by absorption of the Company ('the Transferor Company') with the parent Company Suzlon Energy Limited (the "Transferee Company"), under Sections 230 to 232 of the Companies Act, 2013 (the "Scheme"), subject to requisite statutory/ regulatory approvals including the approval of the Honourable National Company Law Tribunal, Ahmedabad Bench ("NCLT").





## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

- c. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- d. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- e. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- f. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
  - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- g. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall
  - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- h. During the year, the management noted certain unethical practices by an employee of the Company, not being key managerial personnel, involving an offence of fraud. These offences involving fraud amounted to ₹ 0.54 Crore, relating to prior years and were in the nature of issuance of unauthorised credit notes to the customers and fabricating customer's purchase orders. The Management has initiated additional procedures / enquiries, which are ongoing and certain other suspected transactions by the said employee are under review. The employee has resigned from the Company with effect from March 31, 2023. Further, the Company has filed First Information Report (FIR) against the said employee. The Management has since strengthened customer confirmation process for reconciling its balances with their customers, and enhanced monitoring controls over periodic preparation and review of such customer account reconciliations throughout the year. While the assessment of the overall impact on the financial is yet to be concluded, no material adjustments are expected to these financial statements
- i. The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey).

Details of immovable properties classified under property, plant and equipment in balance sheet not held in the name of the Company:

Description of item of property	Gross carrying value (in ₹ crore)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
15 freehold lands located at various locations admeasuring 57.3 acres	10.50	Suzlon Windfarm Services Private Limited ('SWSPL')	No	10 years	The title deeds are in the name of SWSPL, erstwhile SEL-OMS division, which was merged with the Company w.e.f. March 29, 2014.



## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

2 freehold lands located at multiple locations admeasuring 4.4 acres	0.48	Suzlon Power Infrastructure Limited ('SPIL')	No	4 years	The title deeds are in the name of SPIL, which was merged with the Company w.e.f April 01, 2020
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- j. The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for company under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses an accounting software for maintaining its books of account. During the year ended March 31, 2024, the Company has enabled audit trail (edit log), which has operated throughout the year at the application level for all relevant transactions recorded in the accounting software. The Company has not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software to log certain transactions recorded with privileged access and any direct data changes on account of recommendation in the accounting software administration guide which states that enabling the same at the time consumes storage space on the disk and can impact database performance significantly. The end user does not have any access to database IDs which can make direct data changes (create, change, delete) at database level.

#### 44. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard its ability to reduce the cost of capital and to maximise shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital using a gearing ratio, which is net debt (total borrowings and lease liabilities net of cash and cash equivalents divided by total equity (as shown in the balance sheet).

The gearing ratios are as below:

	March 31, 2024	March 31, 2023
Net debt	1,195.35	1,580.64
Total equity	659.74	26.26
<b>Net debt to equity</b>	<b>1.81</b>	<b>60.19</b>

The net debt to equity ratio for the current year reduced as a result of improved performance which resulted in an increase in operating cash flows and therefore repayment of loans and cash held by the Company at the end of the year.



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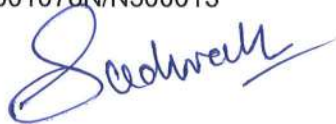
## Suzlon Global Services Limited

### Notes to financial statements for the year ended March 31, 2024

All amounts in ₹ Crore, unless otherwise stated

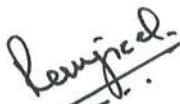
45. Prior year amounts have been reclassified wherever necessary to confirm with current year presentation. The impact of such reclassification/ regrouping is not material to the financial statements.

For Walker Chandok & Co LLP  
Chartered Accountants  
ICAI Firm registration no.:  
001076N/N500013



Shashi Tadwalkar  
Partner  
Membership No: 101797

For and on behalf of the Board of Directors of  
Suzlon Global Services Limited



Ranjitsinh A. Parmar  
Whole-Time Director  
DIN: 00002613



Himanshu Mody  
Director  
DIN: 00686830



Sairam Prasad Pillalamarri  
Chief Executive Officer



Om Prakash Talwar  
Chief Financial  
Officer



Shivani R. Nirgudkar  
Company Secretary  
Membership No :A33098

Place : Pune  
Date : May 23, 2024



Place : Pune  
Date : May 23, 2024